



## **Downtown Center Business Improvement District**

### **BOARD OF DIRECTORS MEETING**

October 8, 2014

#### **Board of Directors**

Alex Capriotti, Robert Cushman, Sauli Danpour, Clare De Briere, Simon Ha, Peklar Pilavjian, Carol Schatz, Richard Stockton, Cari Wolk

#### **Absent**

Travis Addison, Barry Altshuler, Jim Bonham, Barbara Bundy, Marty Caverly, Richard Costanzo, David Damus, Robert Hanasab, Steve Hathaway, KC Yasmer, Adele Yellin, Peter Zen

#### **Staff**

Jeff Chodorow, Suzanne Holley, Lena Mulhall, Ken Nakano, Lauren Reilly Mitchell, Elan Shore, Jessica Whaley

#### **Guests**

Michael Czarcinski (as alternate for Peter Zen); Nina Decker, The Ratkovich Company; Matt Nolan (as alternate for Adele Yellin), Evan Grobecker (as alternate for Travis Addison)

#### **CALL TO ORDER**

Pilavjian called the meeting to order at 8:15a.m. with a quorum.

#### **PRESIDENT'S REPORT**

Carol Reported:

Upcoming Events- DCBID's 15<sup>th</sup> Annual Public Safety BBQ on October 9<sup>th</sup> at Bank of America Plaza on Bunker Hill. Proceeds will go to the Los Angeles Firemen's Relief Association's Widows, Orphans and Disabled Firemen's fund. Carol thanked Robert Cushman and Brookfield for their continued support and encouraged all members and their staff to attend.

October 31<sup>st</sup> is DCBID's Annual Halloween Party for Downtown children and their families. This is a most joyful and wonderful event that DCBID sponsors. It's being held at Grand/Hope Park. Carol noted that we have several great sponsors, including Ralphs who again will be donating hotdogs for the event. Carol invited all Board members to attend.

December 10<sup>th</sup> is the Downtown resident mixer. This event happens twice a year.

The service center recently relocated to the Los Angeles Athletic Club and improvements are well underway. We will be having an open house on December 16<sup>th</sup> at 9:00 am-11:00 am to give the Board an opportunity to see the new location and to wish the purple team a happy holiday.

On the CCA side: Guest speakers at the October 23<sup>rd</sup> General Membership Meeting will be the new heads of the LADWP, Marcie Edwards; and the Port of Los Angeles, Gene Seroka; and CCA's Architects Panel will be held on

November 20<sup>th</sup>. December 8<sup>th</sup> will be CCA's Annual Holiday Party at the Edison, which is one of the best holiday events in Downtown.

Legislative Update: The City has announced that the requirement that all high rise buildings have a flat roof top to accommodate a helipad will be removed. This is phenomenal news as Downtown can finally get an iconic skyline. The person largely responsible for spearheading this effort is Paul Keller of Mack Urban. CCA had tried to do under previous fire chief and it didn't move. Through Paul's continued efforts he was able to get it changed.

Hotel Living Wage Ordinance Update: On September 24<sup>th</sup> the City Council rushed a vote in favor of a \$15.37 per hour minimum wage for all hotel employees only one day after receiving an economic study on the issue. This vote was held despite the joint opposition of CCA, VICA and the Chamber who advocated for a more thorough review period as promised by the city. The Hotel Living Wage ordinance will go into effect July 2015 for hotels with 300 or more rooms and will expand a year later to include hotels with over 150 rooms. The hotel industry and business community are reviewing the possibility of legal action or an initiative to overturn this wage.

City of Los Angeles Mayor's Proposal – Mayor Eric Garcetti has announced his effort to increase the citywide minimum wage. This proposal would go through Council and would have a three year phase in that would ultimately take the current \$9.00 wage to approximately \$13.50 by 2017. It would then, according to the Mayor's office, be tied to CPI. There are no exemptions for tipped employees or for union contracts, as of now. The Mayor hopes to have this through Council by early next year with the first increase taking effect in the middle part of the year. With the recent passage the \$15.37 hotel living wage provision, the County Federation of Labor stated that \$15.37 is their goal for a citywide minimum wage. De Briere asked if contacted by media for comment can they refer to CCA. Carol confirmed.

CCA's Government Relations Committee meeting will be held today to discuss the minimum wage proposal and business tax "reform". They are talking about putting a ballot measure on March and May 2015 ballot that will have some tax structure, but they haven't informed exactly what it's going to be. We are very concerned about a ballot measure making those decisions. All Board members are invited to attend.

At the next Board meeting on November 5<sup>th</sup>, we will have a budget review. The proposed budget for 2015 will be sent to each of you one week prior to the meeting.

#### **APPROVAL OF MINUTES**

A motion was raised by Danpour to approve the September 11, 2014 minutes as presented. Ha seconded and motion was approved.

Carol announced:

Under the new Bylaws which are now in effect, we had to accept resignations from Patrick Spillane, Daniel Swartz and Cindy Troesh, who are no longer property owners. We are nominating Eric Bender and Robert Cushman as officers on the Board of Directors. We would also like to nominate new additions to the Board: Travis Addison, Barry Altshuler, Richard Stockton, Alex Capriotti, and Evan Grobecker as alternate for Travis Addison. Carol clarified that under the new Bylaws, alternates are not able to vote. Carol asked to get a motion to approve as slated. Danpour raised a motion. De Briere seconded and motion was approved.

As per the new Bylaws, we would like to establish a number of 23 positions for the Board of Directors. Currently this will be 22 and Carol is looking to add an initial member by November. Carol clarified that under the new Bylaws, a quorum will be 2/5 of 23 or 10 members. Carol asked for a motion to approve 23 as the number of positions on the Board. Danpour raised a motion. Bender seconded and motion was approved.

Chodorow reported:

Financials for August 2015. Chodorow wasn't able to meet with the Financial Committee to review, but was able to review with Danpour. Year-to-date revenues are favorable \$184K due to timing. Expenses are favorable \$40K for the month and \$390K year-to-date. This is the result of Public Safety vacancies, depreciation of tenant improvements on the new facility that were budgeted but not required, insurance claim expenses not needed and delay in tree trimming. The other large variance is in marketing which is anticipated to be offset by year-end with the holiday destination marketing and web redesign expenses. Pilavjian asked for a motion to approve the financials as presented. Wolk raised a motion to approve as presented. Danpour seconded and motion was approved.

De Briere inquired about tree trimming timeline and requested work be pushed up. The Ratkovich Company is planning to install holiday lights down 7<sup>th</sup> Street after the Thanksgiving holiday and would like to have trees trimmed prior to installation. Nakano advised will make every effort.

Suzanne reported:

The Finance Committee has been left with two vacancies with the recent resignations of Kathy Faulk and Patrick Spillane. Eric Bender and Robert Cushman have agreed to fill those vacancies. The Finance Committee reviews the financials and budget in advance of the Board. Suzanne asked for a motion to approve adding Bender and Cushman to the Finance Committee. Danpour raised a motion to approve Bender and Cushman. De Briere seconded and motion was approved.

Cari Wolk mentioned vacancies in the Operations Committee and asked if anyone would be interested. Carol asked that if anyone would like to serve on the Operations Committee, to please let her know. Clare De Briere volunteered to serve on Operations Committee. Suzanne asked for a motion to approve adding De Briere to the Operations Committee. Bender raised a motion as presented. Danpour seconded and motion was approved.

Service Center Update: The service center is moving along beautifully - new paint, carpet, furniture, etc. has already been done. As Carol mentioned, we will be having an open house in December.

We continue to search for a new Economic Director. We are currently recruiting using a variety of resources and hope to have a candidate in next 30 days. Carol asked the Board for any suggestions or recommendations to fill this important role.

Suzanne reiterated that we will be reviewing the budget at next month's meeting. One of the main issues we will be addressing is the proposed minimum wage increase to \$10.25 in 2015. We expect a 10% increase in the first year as a result of the minimum wage ordinance passing. Should this pass, DCBID will be looking at whether to absorb this increase or reduce staff.

Carol asked Cushman and Grobecker how this would directly affect contracts for maintenance and other personnel. Cushman stated that they already use union labor so this will have little impact but expects unions to renegotiate. They outsource security and janitorial whose collective bargaining agreements will be up for renewal in a couple of years.

**PROPERTYOWNEROR PUBLIC COMMENT:** None

Nakano Reported:

**Safety:**

Problem Areas:

**1<sup>st</sup> & Figueroa:**

The underpass was completely cleaned out. LAPD Special Problems Unit (SPU) responded to the location and completed seven (7) arrests for various crimes. Safety and Maintenance units bagged up all personal belongings and cleaned the area thoroughly while leaving for personal belongings to the subjects to retrieve.

**645 W. 9<sup>th</sup> Street – Ralphs**

We are receiving complaints from residents and constituents in regards to aggressive behavior occurring outside of the store. Safety officers have been assigned to the area on foot, bike and T-3.

	<b><u>August 2014</u></b>	<b><u>September 2014</u></b>
Calls For Service	3,496	3,257
Self Initiated Calls/Incidents	8,870	9,442
LAFD Assists	7	5
LAPD Assists	10	12
Misdemeanor Incidents	1,067	917
Felony Incidents	12	10
Quality of Life Incidents	3,120	8,615

**Maintenance:**

Solar Belly Trashcans have been ordered and delivery is expected within the next two months. These trashcans will be placed on 7<sup>th</sup> Street between Hill and Figueroa.

Tree trimming will begin on November 3<sup>rd</sup>. The trees on the following streets will be trimmed in this round:

- Figueroa from Diamond Place to 9<sup>th</sup> Street
- Olive Street from 1<sup>st</sup> to Olympic
- 5<sup>th</sup> Street from Hill to Figueroa
- 8<sup>th</sup> Street from Hill to Figueroa
- Wilshire Blvd from Grand to the 110 Fwy

Letters were sent out to all of the property owners advising them of the trimming and to solicit any input that they may have.

**BID ACTION:**

Our outreach team continues to do two monthly homeless counts as directed. The following information was gathered.

08/18 – 142

09/22 – 109

Mitchell Reported:

**Marketing Campaigns**

Our summer campaign titled “Summer in the City: An Insider’s Guide to Downtown LA’s Concerts, Outdoor Films, and Events” ended in mid-September. The campaign was supported by radio spots, print ads, flyers, email blasts, and banners. The campaign performed better than last year’s campaign.

Events promoted in the campaign:

- FIGat7th Downtown Festival
- Friday Night Flicks at Pershing Square
- Downtown Stage at Pershing Square
- Grand Performances
- Grand Park Summer
- Dance Downtown at The Music Center
- Street Food Cinema At Exposition Park
- LA Film Fest

Results

- 42,901 pageviews (30.66%)
- 33,623 unique pageviews (26.84%)

### **Website**

We have been posting new businesses, upcoming events, and promotions on our website. We continue to work on the new website. We finalized the business database plan and are beginning to work on the content. The website is scheduled to launch at the end of November.

### **Downtown Guides Program**

The Downtown Guides were active in their outreach to businesses, residents, and visitors in the Downtown Center. The rotating schedule for the kiosk targets the most popular intersections in Downtown for pedestrians. The Welcome Map and Bags continue to be in high demand.

### **eNewsletter**

The DCBID’s monthly e-newsletter was sent to over 35,000 current subscribers. It highlighted new business openings, Downtown events, and special offers to our subscribers.

### **Property Owner Quarterly Newsletter**

The Q3 Newsletter arrived to Property Owners late last and early this week.

### **Events**

Please join us this Thursday, Oct. 9 for our 15<sup>th</sup> Annual Public Safety BBQ at Bank of America Plaza and our Annual Halloween Party for Downtown LA Kids on October 31 at FIDM. Both events are projected to attract 1,200-1,600 residents and office workers.

The Marketing Roundtable continues to be a popular meeting. Over 80 businesses attended the August and September meetings.

There was some discussion on events occurring in Downtown. Richard Stockton mentioned the Special Olympics will be held DT in 2015, that OUE is a sponsor, and that they are a tenant of US Bank Tower. Carol expressed interest in this event and Stockton will set up meeting with CEO of Special Olympics.

Simon Ha announced Metro Charter School having an event at Spear that will also be honoring Carol and Councilmember Jose Huizar.

Carol would like DCBID to send Press Releases periodically about big events in DT.

After further discussions about events and businesses in DT, Stockton mentioned that his company just leased space to a tech incubator. Carol mentioned she would like to include in Creative Tech Showcase on tour.

Mitchell mentioned she will email the Board on all new business openings.

## **ECONOMIC DEVELOPMENT**

Whaley Reported:

### **Creative/Tech/ Office Recruitment Committee**

On August 13<sup>th</sup> we presented the committee 3 design mock-ups of the CTO collateral. We also presented a selection of names, which we narrowed down to 3. The final name will be selected via email vote by the committee. We also took the Committee on a “beta” office space tour with stops at Gensler, The Reef, and The Bloc. We received constructive feedback on the tour’s length, stops, fact sharing and will refine in time for our launch. We are developing the broker toolkit, which will be comprised of a curated selection of Downtown Inventory that we have compiled in-house and with the help of the Committee. The timeline sets a program launch date for November 2014, with tours starting in Q1 2015.

### **Creative/Tech Outreach**

We have ongoing conversations and meetings with creative tech entrepreneurs and members of the LA Tech Task Force to discuss Downtown’s challenges and opportunities as a viable option for recruitment of tech/creative business. We remain informed on tech events in and around Downtown, and discuss possible collaborations for these events and for our CTO recruitment Program. We are a liaison between large property owners and smaller tech companies.

### **Retail Recruitment**

We toured different retailers that are interested in locating in our District. We discussed the idea of a holiday pop-up along Broadway.

### **Housing Tour**

Housing tours were dark for the month of August and on September 13<sup>th</sup> we a tour with capacity of over 50 people.

### **Conferences**

We attended the International Downtown Association (IDA) Conference in Ottawa, Canada.

### **Sponsorship Fundraising**

We solicited sponsorships for the Public Safety Appreciation BBQ, as well the Halloween Party for Downtown LA kids.

### **Special Tours**

We gave special tours to both residential and hotel developers and helped them with their market research and underwriting.

### **Research & Information Requests**

- Responded to 10 requests for information including:
  - Broadway theater revitalization
  - Bunker Hill office market
  - Metrolink ridership to Downtown

- Progress on new developments
- Initiated review and update of DCBID's building database
- September development highlights:
  - Topaz, a residential project near 6<sup>th</sup> and Main, broke ground
  - Broadway streetscape "dress rehearsal" ribbon cutting held in late August
  - Move-ins began on September 15 at One Santa Fe

In August we issued our reformatted Market Report with a new layout, photography, and data through late April 2014. It included:

- New maps showcasing projects under construction and proposed.
- Photos of upcoming developments including The Emerson, Mack Urban Phase 1 and One Santa Fe.
- Updated statistics including:
  1. Condo market remained strong averaging \$542.21 per square foot and 5163 new units under construction.
  2. There were 28 new retail openings in Q1 2014 including 18 new restaurants/bars.
  3. Hotel occupancy rates rose to 76.6% in February 2014 from 73.9% one year earlier.

The next Market Report will be issued in November 2014.

**OLD BUSINESS: None**

**NEW BUSINESS: None**

**ADJOURNMENT:** The next meeting is scheduled for November 5, 2014. The meeting was adjourned.